

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF THE)	
CITY OF STANTON, A FOURTH)	
CLASS CITY OF POWELL COUNTY,)	
KENTUCKY, AND MORRIS CREEK)	
WATER ASSOCIATION OF POWELL)	
COUNTY, KENTUCKY, CREATED)	
AND EXISTING UNDER AND BY)	
VIRTUE OF CHAPTER 273 OF THE)	
KENTUCKY REVISED STATUTES,)	
FOR APPROVAL OF A "CONTRACT)	
OF SALE JOINT PETITION AND)	CASE NO. 8331
PURCHASE" PROVIDING FOR)	
THE PURCHASE BY SAID CITY)	
FROM SAID ASSOCIATION OF THE)	
EXISTING WATERWORKS DISTRIBUTION)	
SYSTEM SERVING THE 243)	
MEMBERS OF THE ASSOCIATION)	
LOCATED IN THE SERVICE AREA)	
OF THE ASSOCIATION, SUBJECT)	
TO THE EXISTING FmHA NOTE)	
AND OTHER ENCUMBRANCES)	
AGAINST SAID SYSTEM)	

O R D E R

On September 11, 1981, the City of Stanton, ("Stanton") Powell County, Kentucky, a city of the fourth class, and the Morris Creek Water Association, ("Morris Creek") a water association created and existing under Chapter 273 of the Kentucky Revised Statutes, filed a joint application seeking the Commission's approval of the sale of Morris Creek water system to Stanton and the approval of the dissolution of the association

pursuant to a "Contract of Sale and Purchase" executed August 11, 1981, by Morris Creek and Stanton. The terms and conditions of the contract are delineated in the executed copy filed in this record.

Morris Creek purchases water from Stanton for resale to approximately 249 residential customers located in neighboring areas of Powell County. Morris Creek has been in operation since 1976 following completion of its initial construction financed by FmHA. The initial long-term debt of \$154,000 has been reduced to \$153,789 principal and \$18,252 outstanding interest as of October 13, 1981.

This matter was set for public hearing at the Commission's offices in Frankfort, Kentucky, on November 24, 1981. At the hearing, certain requests for additional information were made by the Commission staff. This information has been filed and the matter is now submitted for a final determination by this Commission.

FINDINGS IN THIS MATTER

The Commission, after consideration of the evidentiary record and being advised, is of the opinion and finds that:

1. The public interest will be better served in this instance by combining the two contiguous water systems into one water system in that certain economies should be realized in the management, maintenance and operation of one system for the customers now served by the two systems.

2. Stanton is ready, willing and able to purchase, and operate the Morris Creek water system and to provide adequate and reliable water service to the customers presently served by Morris Creek. Further, that Stanton will continue to employ such persons as are knowledgeable and experienced for adequate and efficient operation of the combined water systems.

3. The agreed-upon purchase price is \$10 plus the assumption of all liabilities and obligations of Morris Creek by Stanton. Further, that Morris Creek is not obligated to pay any fees, commissions, or other costs in connection with the sale of its water system to Stanton.

4. The terms and conditions of the sale and purchase contract as executed August 11, 1981, by Stanton and Morris Creek should be approved by this Commission.

5. Stanton will charge the customers now served by Morris Creek the same water rates as the customers of Stanton's water system.

ORDERS IN THIS MATTER

The Commission, on the basis of the findings hereinbefore set forth and the evidentiary record in this matter:

HEREBY ORDERS that the Contract for Sale and Purchase, executed August 11, 1981, and filed September 11, 1981, with this Commission be and it is hereby approved.

IT IS FURTHER ORDERED that the consummation of the Contract of Sale and Purchase approved herein shall effect the termination of this Commission's jurisdiction over the water system formerly owned by Morris Creek.

Done at Frankfort, Kentucky, this 12th day of January, 1982.

PUBLIC SERVICE COMMISSION

Marlin M. Voh
Chairman

Katharine Beasly
Vice Chairman

L. H. Carver
Commissioner

ATTEST:

Secretary